

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2356 - SB 2210

March 10, 2009

SUMMARY OF BILL: Adds additional options for investment of municipal bonds, including authorizing a municipality to invest in bonds or notes issued by a Tennessee public building authority (PBA) and in bonds or notes used for leases or loans to local governments, authorizing greater maturity dates if an obligation is tendered at four year intervals or less, and authorizing investments in revenue obligations from lease and loan agreements. Removes the Comptroller from oversight of the local government investment process.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – This legislation may assist local governments in accounting for volatility in the current market. Local government revenue and expenditures may increase or decrease depending on actions taken. A more precise estimate is not possible because of fluctuating market conditions.

Assumption:

- According to the Municipal Technical Advisory Service (MTAS), this legislation provides flexibility for local government investments.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kmc